

**EXHIBIT A**

**ASSET PURCHASE AGREEMENT**

## **ASSET PURCHASE AGREEMENT**

This Agreement executed the 1<sup>st</sup> day of August, 2001, by and between SINGLE BILLING SERVICES, INC., ("SBS"), and ENHANCED COMMUNICATIONS NETWORK, INC. ("ECN"), is made in consideration of the mutual covenants and agreements herein contained and provides as follows:

### **1. PURCHASE AND SALE.**

SBS agrees to sell and ECN agrees to buy all of the assets of SBS, including, but not limited to, those described in Section 2 hereof, (the "Assets"), for the purchase price set forth in Section 3 hereof, subject to the terms and conditions of this Agreement.

### **2. ASSETS.**

ECN will acquire all the assets of SBS pursuant to this Agreement, including, but not limited to, the following:

- a) All the long distance customer base of SBS;
- b) All accounts receivable of SBS for long distance services provided to the customer base;
- c) All books and records of SBS relating to the long distance service;
- d) All evidence of verification;
- e) All contracts with the long distance customers;
- f) All call detail records pertaining to the long distance customers;
- g) The right to use the trade name Single Billing Services; and
- h) The right to use the trade name Asian American Association in conjunction with other entities licensed or authorized to use the name, subject to the approval of Asian American Association.
- i) The rights of SBS as lessee in the leases which are listed in Section 3.

### **3. PURCHASE PRICE.**

The consideration for the purchase of the Assets in this Agreement by ECN to assume and pay up to the amount of \$2,409,381.20 of the obligations of SBS as follows:

Accounts Payable	\$639,457.97
Capital Lease - BSB	41,764.17
Capital Lease - Information Leasing	60,486.41
Capital Lease - Inf. Dir	145,181.09
Note Payable - Fong	350,000.00
Note Payable - Gold	957,500.00
Note Payable - Boxley	90,000.00
Accrued Payroll	74,298.27
Accrued Payroll Tax	13,419.58
Accrued Expenses	37,273.71

The parties agree that ECN may settle and pay the foregoing assumed obligations on such terms and conditions as may be agreeable to the listed creditors and ECN so long as SBS is not required to make any further payments to satisfy the same. Although this transaction will not close until all necessary regulatory approvals are obtained, ECN is authorized to initiate contact with the listed creditors immediately upon the Pre-Closing of this transaction.

#### **4. PRE-CLOSING.**

The Pre-Closing of this transaction shall take place August 1, 2001, at which time SBS will deliver a Bill of Sale covering the Assets to Early, Lennon, Crocker & Bartosiewicz, PLC to be held in escrow pending regulatory approval of the transfer of the customer base.

#### **5. CLOSING.**

The Closing of this transaction shall be held within five (5) business days after the parties receive necessary regulatory approvals. Upon the Closing, Early, Lennon, Crocker & Bartosiewicz, PLC will deliver the Bill of Sale to ECN.

#### **6. INTERIM MANAGEMENT.**

After the Pre-Closing and until the Closing, ECN will cause the following interim management services to be provided by SBS:

- a) Assistance to EAAA in any aspect of the management of SBS as shall be necessary, appropriate and agreeable to ECN and EAAA;

- b) Upon the Closing of the EAAA purchase of the stock of SBS, assumption of the duties of interim manager of SBS with all the duties previously performed by EAAA.

## **7. OBLIGATIONS OF SBS.**

SBS shall continue to be responsible for the payment of state and federal taxes and fees imposed upon its long distance services and to file all necessary reports, worksheets and returns with appropriate federal and state agencies, as follows:

- a) Taxes. SBS will file all necessary returns, reports or worksheets with local, state and federal authorities covering the revenues attributable to its long distance services and pay the taxes due; and
- b) USF and Other Fees. SBS will file all necessary returns, reports or worksheets with state and federal authorities covering the revenues attributable to its long distance services and pay all fees due. For example, SBS will file federal forms 499-Q for the first and second quarters of 2001. The fees payable for the third quarter of 2001, which are based upon the 499-Q covering the first quarter of 2001, and for the fourth quarter of 2001, which are based upon the 499-Q covering the second quarter of 2001, shall be paid by SBS. SBS shall remain responsible for and pay any USF fees which are based upon any worksheets which have been filed or should be filed. When the customers of SBS become the customers of ECN, ECN will file the necessary reports and worksheets and will pay the federal state, USF and other fees which shall be due based upon the USF reports filed by ECN.

## **8. CUSTOMER BASE TRANSACTION.**

SBS and ECN will transfer the customer base of SBS to ECN only after FCC approval and the subsequent necessary approval of each state. After federal approval, the parties will move SBS customers on a state by state basis as the necessary approvals are given by each state. If the parties cannot obtain the necessary approvals of 75% of the state regulatory commissions, then either party may terminate this Agreement upon thirty (30) days written notice to the other as the same relates to those states who have not yet approved the transfer of the customer base. No other change shall be made in the Agreement.

## 9. REGULATORY APPROVALS.

- a) SBS will be responsible for making any applicable state and federal regulatory filings on behalf of itself and ECN in jurisdictions in which approvals are required, such as state public utility commissions and the Federal Communications Commission, after the Transfer Date and prior to Closing Date. ECN agrees to fully cooperate with SBS to complete all filings by providing information, signatures, documents, certifications and similar items as needed and/or required by any and all state and federal regulatory agencies responsible for reviewing and approving this transaction. ECN shall supply the requested information to SBS or perform the requested act (e.g., execution of all applications for regulatory approval, etc.) no later than the next business day after the request is made by telephone, electronic mail, facsimile, overnight delivery or other means of delivery. SBS agrees to initiate said filings within ten (10) business days of the Transfer Date of this Agreement, and all filings shall be made by SBS and awaiting regulatory approval within thirty (30) business days of the Transfer Date of this Agreement, provided ECN provides SBS with the required information for the filings or unless otherwise agreed to by the parties. SBS agrees that it will not send any correspondence to any end user Customer pursuant to regulatory consents and approvals regarding this transaction without 48 hour advance notice to ECN for their review, comment and approval, which consent will not be unreasonably withheld. SBS reserves the right to send revised correspondence after 48 hours.
- b) This Agreement cannot be canceled by any party that fails to cooperate to timely make all filings required by law to receive approval from state and regulatory agencies. In the event any approval is not obtained for whatever reason, but approvals are obtained in states representing over 75% of the Customers, then the parties agree to proceed to Closing for all Customers located in states where approvals have been received.
- c) In the event regulatory approvals cannot be obtained from states representing over 75% of the Customer base, then either party shall have the rights set forth in Section 8.
- d) SBS will be responsible for all filing fees charged by the applicable state and federal agencies to obtain regulatory consents to sale of the Assets, provided however ECN will remain responsible, and shall reimburse SBS, for any required ECN regulatory filings.

**10. SELLER REPRESENTATIONS AND WARRANTIES.**

SBS represents and warrants that:

- a) SBS is the sole owner of the Customer account base to be transferred hereunder and has the full legal ability to transfer them free and clear of any liens on such accounts to ECN at closing, and free of any claims for broker commissions owned on Customer accounts for periods before the Transfer Date.
- b) The person, executing this Agreement on behalf of SBS, is authorized to execute this Agreement on behalf of and to bind SBS to the terms hereof without the necessity of further director or shareholder approval and that SBS is validly incorporated in the State of Delaware, is in good standing and that all franchise and other taxes due the State of Delaware are paid.
- c) SBS has not transferred or committed to transfer the Customer accounts herein to any other party, that no other party has a prior claim or purchase right in such account.
- d) SBS will provide prior to the Closing Date all releases necessary to allow the transfer of its accounts free and clear from any liens.
- e) That SBS has complied with the laws and regulations of the FCC and appropriate State Utility Commissions, and SBS will remain responsible for any acts, pending actions or violations involving long distance Customers that arose or occurred prior to the Transfer Date (it being the date of the act or occurrence and not the date of the filing of any action which determines SBS's responsibility for the resolution of any such claims).
- f) SBS has not given any warranties or representations to any third parties or to any or all of the Customer Base in connection with its supplying of services to the Customer Base and accounts nor is it aware of any facts or occurrence forming the basis of any present claim against SBS relative to the assets.
- g) That, to SBS's knowledge, there is no material dispute with any LEC that will interfere with or prevent the billing of the long distance Customers conveyed herein.

## **11. ECN REPRESENTATIONS AND WARRANTIES.**

ECN represents and warrants that:

- a) The person executing this Agreement on behalf of ECN is duly authorized to execute this Agreement on behalf of and to bind ECN to the terms hereof without the necessity of any further director or shareholder approval and that ECN is authorized to do business in the State of Delaware, is in good standing and that all franchise and other taxes due the State of Delaware and other states have been paid.
- b) It will timely cooperate with all regulatory approval and consent filings from all state and federal regulatory agencies concerning the transfer of the customer base.

## **12. INDEMNIFICATION.**

- a) SBS agrees to indemnify and hold ECN, its stockholders, parents, affiliates, officers, directors, employees and agents, harmless from any and all actions, claims, suits, costs, attorneys' fees or damages which arise after the Pre-Closing Date but are attributable to periods, payments or events which accrue or arise on or before the Pre-Closing Date relating to (i) any violation or alleged violation of any FCC or other application law or state regulation relating to the Assets, (ii) arising out of fraudulent calls of any nature to the extent that the party claiming the calls in question to be fraudulent, is (or had been at the time of the call) an End User of SBS, and is part of the Assets, (iii) any slamming or cramming claim by a Customer alleged to have occurred prior to the Transfer Date, and the party requesting the credit as part of the Assets; and, any breach of this Agreement by SBS.
- b) ECN agrees to indemnify and hold SBS, its stockholders, parents, affiliates, officers, directors, employees and agents, harmless from any and all actions, claims assessments, suits, costs, attorneys' fees or damages attributable to periods, payments or events which accrue or arise after the Pre-Closing Date relating to (i) any violation or alleged violation of any FCC or other applicable law or state regulation relating to the Assets, (ii) arising out of fraudulent calls or any nature to the extent that the party claiming the calls in question to be fraudulent, is (or had been at the time of the call) an End User of ECN, and is part of the Assets, (iii) any slamming or cramming claim by a Customer alleged to have occurred after the Pre-Closing Date, and the party requesting the credit is part of the Assets; and, any breach of this Agreement by ECN.

- c) Neither party shall be responsible for any consequential, special, incidental or punitive damages, including lost profits, alleged to have been incurred by the other party.

### **13. CONFIDENTIALITY OF CUSTOMER ACCOUNTS AND THIS AGREEMENT.**

SBS agrees to maintain as confidential the long distance Customer account information for the Customer accounts being transferred to ECN, including but not limited to each Customer's name, telephone number(s), address and all other information pertaining to the Customer's account. Further, both parties agree to maintain as confidential all of the terms and conditions of this Agreement, all information contained therein and any Exhibits to such Agreement, and any information exchanged between the parties in either the negotiation of this Agreement or the preparation of the documentation evidencing the agreement of the parties.

### **14. GOVERNING LAW, VENUE AND MANDATORY MEDIATION.**

This Agreement shall be construed under the laws of the state of Delaware. If any dispute or interpretation shall arise which cannot be resolved by the parties, then the parties will submit to non-binding mediation pursuant to the rules of the American Arbitration Association prior to suit in a good faith effort to resolve any disputes. After full participation in the mediation, either party may file suit against the other.

### **15. ENTIRE AGREEMENT.**

This Agreement constitutes the entire agreement and understanding between the parties, and supersedes all prior correspondence, negotiations or letter of intent, and cannot be modified or amended except by written agreement between the parties.



**16. NOTICES.**

The addresses shown below are valid for all notices hereunder, which shall be deemed given when faxed to the fax number, with a hard copy confirmation at the address shown.

ENHANCED COMMUNICATOIN NETWORKS, INC.

Ray Chan August 1, 2001  
By: Raymond Chan, V.P.  
"ECN"

SINGLE BILLING SERVICES, INC.

Helena Hsu Aug. 1, 2001  
By: Helena Hsu, V.P.  
"SBS"

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